**Tarrant County Texas** 

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Fee: \$ 28.00

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XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

## OIL. GAS AND MINERAL LEASE

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of Tarrant, State of Texas, and is described as follows:

## SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTIONS SEE ATTACHED ADDENDUM FOR ADDITIONAL PROVISIONS

This is a non-development oil, gas and mineral lease, whereby Lessee, its successors or assigns, shall not conduct any operation, enter upon or in any way disturb the surface of the lands described herein. However, Lessee shall have the right to pool or unitize said lands, or any part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of Lessor to allow Lessee to explore for oil and/or gas without using the surface of Lessor's land for any operations. This clause shall take precedence over any references to surface operations contained within the preprinted portion of this lease.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain <u>6.1938</u> acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 25% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee off said land or any land or in the manufacture of gasoline or other products, and the market said and or any land or any land or in the experision of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been producted on said land for so long as said wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, this lease shall, nevertheless, continue in force as though operations of flow lines, separator, and lease tank, and shall only the products of flow lines, separator, and lease tank, and shall no

assignment or this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than cashinghead gas, (2) liquid hydrocarbons (condensate) which are not liquid in the subsurface reservoir; (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If farger units than any of those herein permitted, either at the time established or after enlargement, are permitted or required under any governmental uner or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size permitted or required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Such unit shall become effective on the date such instrument or instruments but if said instrument or instruments are so filed of record. Each of said options may be exercised by Lessee at any time and from time to time while this lease is not once, and whether before or after operations or production has been established either on said l

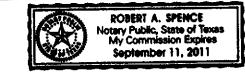
pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly place of business by Lessor or Lesser's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be brought until the lapse of sixty (60) days precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days precedent to the bringing of any action by Lessee aimed to meet all or any of the after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the all each of the said lease for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations, (but in no event less that forty acres), such acreage to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to constitute a drilling or maximum allowable unit under applicable governmental regula
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the agrees that Lessoe shall be considered to the subrogated to Lessor rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other entire and undivided fee simple estate therein. All royalty interest covered by this lease (whether therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether therein) is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

| LESSOR(S): Westmoor Building, a Nebraska General Partnership, a/k/a Westmoor Building Partnership, a Nebraska General Partnership |  |
|---|--|
| By: Lom M. Culloryh  Mr. Tom McCullough, CFO, Westmoor Building, a Nebraska Gene Partnership                                      | -<br>eral Partnership, a/k/a Westmoor Building Partnership, a Nebraska General |
| STATE OF TOWERS   | CKNOWLEDGMENT FOR PARTNERSHIP)   |
| This instrument was acknowledged before me on the 30 day of september, 2008, by Mr. Tom McCullough                                |  |

ı, as CFO, Westmoor Building, a Nebraska General Partnership, a/k/a Westmoor Building Partnership, a Nebraska General Partnership, on behalf of said partnership.



Notary Public A Printed ROBERT

My commission expires:

Seal:

## **EXHIBIT "A"**

This Exhibit "A" is attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 30<sup>TH</sup> day of SEPTEMBER, 2008, by and between Westmoor Building, a Nebraska General Partnership, a/k/a Westmoor Building Partnership, a Nebraska General Partnership, as Lessor, and XTO Energy, Inc., as Lessee.

**TRACT 1 --** 2.3194 acres, more or less, being Site 6A, Block 2 of Great Southwest Industrial Park of Fort Worth – GSC Mark IV, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 388-42, Page 8, Plat Records, Tarrant County, Texas, out of the David Odum Survey, Abstract No. 1184, being those same lands described in Exhibit "A" of a Warranty Deed dated April 17, 1975, as recorded in Volume 5814, Page 639, Deed Records, Tarrant County, Texas, from Coca Cola Bottling Company of Fort Worth, a Texas corporation, as Grantor, to Westmoor Building Partnership, a partnership composed of Ernest J. Hochster and Martin Hochster of Omaha, Nebraska, as Grantee, and amendments thereof, including streets, easements and alleyways adjacent thereto, and any riparian rights.

**TRACT 2 --** 2.3194 acres, more or less, being Site 6B, Block 2 of Great Southwest Industrial Park of Fort Worth – GSC Mark IV, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 388-42, Page 8, Plat Records, Tarrant County, Texas, out of the David Odum Survey, Abstract No. 1184, being those same lands described in Exhibit "A" of a Warranty Deed dated April 17, 1975, as recorded in Volume 5814, Page 639, Deed Records, Tarrant County, Texas, from Coca Cola Bottling Company of Fort Worth, a Texas corporation, as Grantor, to Westmoor Building Partnership, a partnership composed of Ernest J. Hochster and Martin Hochster of Omaha, Nebraska, as Grantee, and amendments thereof, including streets, easements and alleyways adjacent thereto, and any riparian rights.

TRACT 3 -- 1.555 acres, more or less, being a portion of Block 2 of Great Southwest Industrial Park of Fort Worth – GSC Mark IV, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 388-42, Page 8, Plat Records, Tarrant County, Texas, out of the David Odum Survey, Abstract No. 1184, being those same lands described in Exhibit "A" of a Warranty Deed dated December 30, 1987, as recorded in Volume 9157, Page 660, Deed Records, Tarrant County, Texas, from Allen Waddell, Trustee, as Grantor, to Westmoor Building, a Nebraska General Partnership, as Grantee, and amendments thereof, including streets, easements and alleyways adjacent thereto, and any riparian rights.

## ADDENDUM

This Addendum is attached to and made a part of that certain Oil, Gas and Mineral Lease dated the <u>30<sup>TH</sup></u> day of <u>SEPTEMBER</u>, 2008 by and between Westmoor Building, a Nebraska General Partnership, a/k/a Westmoor Building Partnership, a Nebraska General Partnership, as Lessor, and XTO Energy, Inc., as Lessee.

- 15. Anything in the lease to the contrary notwithstanding, it is agreed that the royalty paid under this lease shall be twenty-five percent (25%). Lessor's royalty shall be free and clear of all costs and expenses whatsoever, including expenses of separation, compression, marketing, transportation, treating or manufacturing oil or gas produced hereunder, save and except ad valorem and production taxes. Provided, however, Lessor's royalty shall be subject proportionately to any charges incurred by Lessee for compressing, treating, processing, gathering, transporting and marketing under Lessee's gas purchase contract with a nonaffiliated third party covering the sale of production from the lands included in this Lease.
- 16. The Lease is a non-development Lease, and nothing in the Lease shall be construed to permit Lessee access of use of the surface of said land for any purpose, including without limitation any easements for pipelines or oil and gas related purposes. Further, entry onto said land shall be from an offsite location at a minimum depth of at least three hundred feet (300') below the surface of said land.